



Claim for Transportation Improvement Contribution Credit

Tax Law — Articles 9, 9-A, 32, and 33

2002 calendar-yr. filers, check box []
Other filers enter tax period:

beginning
ending

Name
Taxpayer identification number shown on page 1 of your return

File this form with your tax return.

Part I - Computation of increase in payroll at qualified business facility (QBF) and in New York State (NYS)
(see instructions on back before completing)

Table with 3 columns: Description, Column A QBF, Column B NYS. Rows 1-3: Payroll during the tax year, Average payroll during the base period, Increased payroll.

Part II - Computation of credit - Do not complete this part unless both Column A and B in Part I show an increased payroll

Table with 3 columns: Description, Column A QBF, Column B NYS. Rows 4-6: Enter the lesser of line 3, Credit percentage (6%), Transportation improvement contribution credit.

Part III - Application of credit

Table with 3 columns: Description, Column A QBF, Column B NYS. Rows 7-15: Tax, Tax credits claimed, Subtract line 8, Minimum tax, Limitation on credit, Transportation improvement contribution credit used, Unused transportation improvement contribution credit.

Do not complete Part IV and Part V until the test year, which is the third full tax year following the year the contribution was made.

Part IV - Qualification for continuation of credit in the test year — employment increase test
(see instructions)

Table with 3 columns: Description, Column A QBF, Column B NYS. Rows 16-18: Average number of full-time employees during test year, Average number of full-time employees during base period, Increase in employees between test year and base period.

If the totals in both Column A and Column B, line 18, exceed 1,000, the employment increase test has been met and it is not necessary to complete Part V of this form.

If either Column A or Column B, line 18, is less than or equal to 1,000, the employment increase test has not been met and recapture of the transportation improvement contribution credit is necessary in Part V.

Part V - Recapture of credit

Table with 3 columns: Description, Column A QBF, Column B NYS. Rows 19-21: Transportation improvement contribution credit previously claimed, Additional recapture, Total recapture amount.

Instructions

General information

Section 20 of the Tax Law was added to provide a refundable credit to taxpayers subject to tax under Articles 9, 9-A, 32, or 33 of the Tax Law for tax years beginning on or after January 1, 2000.

The credit is available to taxpayers who make a certified contribution of at least \$10 million toward a qualified transportation improvement project in a prior tax year. The project must be designed, in part, to enhance the planned construction or expansion of a qualified business facility (QBF). In addition, to qualify as a qualified transportation improvement project, the Commissioners of Transportation and Economic Development must jointly determine that the project will promote the development of employment opportunities by creating more than 1,000 new jobs in connection with the QBF.

The credit is equal to 6% of the taxpayer's increased QBF payroll for the tax year or increased New York State payroll for the tax year, whichever is less.

For the definition of terms used on the form, such as *increased QBF payroll*, *increased New York State payroll*, *qualified transportation project*, *certified contribution*, and *test year*, see TSB-M-00(6)C. Please refer to that memo for additional information regarding the transportation improvement contribution credit.

Line instructions

Parts I, II, and III should be completed each year the transportation improvement contribution credit is claimed.

Part I - Computation of increase in payroll at qualified business facility (QBF) and in New York State (NYS)

Enter amounts relating to the QBF in Column A and amounts relating to New York State in Column B.

Line 1 - Enter the total wages, salaries, and other personal service compensation of employees (excluding general executive officers) employed at the QBF and in New York State during the tax year.

Line 2 - Compute the average QBF and New York State payroll for the base period. The base period is the tax year the certified contribution is made and the two immediately preceding tax years.

If the QBF was in existence for less than three full years, the total payroll must be adjusted. Divide the total QBF payroll by the number of quarters the QBF was in existence and multiply this figure by four.

If the taxpayer was not taxable for three full years, then divide the total New York State payroll by the number of quarters the taxpayer was taxable in New York State, and multiply this figure by four.

Part II - Computation of credit

Do not complete this part unless the increased QBF payroll and increased New York State payroll on line 3, Columns A and B, **both** show an increase.

Line 4 - Enter the lesser of the increased QBF payroll from line 3, column A, or the increased New York State payroll from line 3, column B.

Line 6 - Multiply line 4 by line 5. This is your total transportation improvement contribution credit.

Part III - Application of credit

Line 7 - Enter the amount of tax from your corporate franchise tax return before the deduction of any tax credits.

Line 8 - If you are claiming more than one credit, enter the amount of credits claimed prior to the application of this credit. If no other credits are being claimed, enter "0" on line 8.

Line 10 - Enter the larger of the minimum tax or the fixed dollar minimum from your corporate franchise tax return.

Line 12 - Enter the amount of credit claimed in the appropriate box on your tax return. General business corporations enter the credit on Form CT-3, line 100a or Form CT-3-A, line 101a.

Lines 13 through 15 - Any balance of unused transportation improvement credit (line 13) may be refunded without interest (line 14) or applied as an overpayment to next year's tax liability (line 15).

Do not complete Parts IV and V until the *test year*, which is the third full year following the year the contribution was made.

Part IV - Qualification for continuation of credit in the test year — employment increase test

To meet the employment increase test, the average number of full-time employees employed by the taxpayer at the QBF and in New York State during the test year must **both** exceed, by 1,000, the average number of full-time employees employed during the base period.

Enter amounts relating to the QBF in column A and amounts relating to New York State in column B.

Line 16 - Enter the average number of full-time employees employed by the taxpayer at the QBF and in New York State during the test year.

Line 17 - Enter the average number of full-time employees employed by the taxpayer at the QBF and in New York State during the base period.

If the employment increase test is met in the test year, the taxpayer may continue to take the transportation improvement contribution credit for any year in which the taxpayer has both an increased QBF payroll and an increased New York State payroll.

If the employment increase test is not met in the test year, then the taxpayer is required to recapture the credit and must complete Part V.

Part V - Recapture of credit

Line 19 - Enter the total amount of the transportation improvement contribution credit previously claimed in all prior years. Include any amounts that were previously refunded and applied as an overpayment.

Line 20 - The additional recapture you must add back is equal to the recaptured transportation improvement contribution credit multiplied by the interest rate in effect on the last day of the tax year. Call 1 800 972-1233 for applicable rate.

Line 21 - Add lines 19 and 20. This is the total amount to be recaptured. Include this recapture amount in your tax due.

Need help?



Business Tax information: 1 800 972-1233

Forms and publications: 1 800 462-8100

From outside the U.S. and outside Canada: (518) 485-6800

Fax-on-demand forms: 1 800 748-3676

Hearing and speech impaired (telecommunications device for the deaf (TDD) callers only): 1 800 634-2110



Internet access: www.tax.state.ny.us